

NEWS – CONGRESSMAN PETE STARK

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HIGHLIGHTS FROM TODAY'S HEARING WITH HHS SECRETARY SEBELIUS

WASHINGTON – Today, the Ways and Means Committee heard testimony from Health and Human Services Secretary Kathleen Sebelius.

Rep. Pete Stark, Ranking Member of the Ways and Means Health Subcommittee: **"Today's hearing provided a strong discussion of the benefits of the health reform law. I'm also glad we focused on the Republican Roadmap to privatize Medicare, which would be dangerous for Americans and deserves more clarity from Republican leaders."**

For Rep. Stark's opening statement, please visit: http://www.youtube.com/watch?v=O7zyln_S9IQ

Below are some exchanges from today's hearing.

REPUBLICAN ROADMAP ELIMINATING MEDICARE

Rep. McDermott (D-WA): "In the months to come, the Republicans are going to try to dismantle and eventually do away with Medicare. Now, you don't have to take my word for this. Republicans outlined their plan in a document called the Roadmap to America's Future. The Republican plan would end Medicare as we know it, making it a voucher program. The plan would force seniors to go out and shop around for private health insurance coverage with a government voucher..."

"I would like you, Madam Secretary, to explain -- you're formerly an insurance commissioner. And you've been a governor. Now, tell me what you anticipate if the Republicans' Roadmap to the Future passes and every senior is handed an \$8,000, \$9,000 voucher, whatever, and sent out into the insurance world. What will be the effect of that?"

Sec. Sebelius: "My father was a member of the Energy and Commerce Committee, and he helped to write the Medicare bill. And he will turn 90 in three weeks and is now a beneficiary of that bill. So I start this conversation as a daughter. I think that we are responsible to do a couple of things. One is to help make sure that Medicare is here for generations to come, and twelve

years of additional solvency is a step in that direction and I think that some of the delivery system reforms that are anticipated are another big step in that direction to make sure that we deliver high quality care.

"I also have the experience, as you say, as an insurance commissioner, and understand that people who are shopping on their own often do not have any market leverage, which is why people in the individual market are often penalized. They pay 18 to 20 percent more than those who are in large employer pools. One of the reasons for the health exchanges is to help group people into pools so that they would have some purchasing power. Insurance experience is, you balance risk. And if you're shopping on your own, there is no risk to balance but your own."

Rep. McDermott (D-WA): "Can you imagine your father, at age 90, going out and looking for a health insurance plan with a voucher?"

Sec. Sebelius: "No"

REPUBLICAN DISAGREEMENT ON ROADMAP

Rep. Geoff Davis (R-KY): "Just before moving forward, I would like to correct a pleasant fiction being shared by my colleague from Washington State. The roadmap is one person's idea, it's not representative of the party, and members such as myself, Chairman Camp, almost everybody I know on this committee who has worked for years to bring Medicare into the 21st Century and to leverage technologies."

MORE DANGERS OF ELIMINATING MEDICARE

Rep. Pascrell (D-NJ): "If we end Medicare, because that's the only alternative on the table right now, and that is, to provide a voucher system whereby seniors would be given a voucher, and they would take care of their health care. Have you analyzed the consequences of us moving to the Republican plan of vouchers?"

Sec. Sebelius: "I have not to a great extent, but I certainly have seen a model where individuals in the marketplace attempt to purchase their own coverage. That is typically the least effective, most expensive kind of insurance arrangement."

IMPROVEMENTS FOR MEDICAID PATIENTS

Rep. Nunes (R-CA): "Is this going to increase the cost to states when you add on 16 million enrollees onto Medicaid?"

Sec. Sebelius: "Well, what the Affordable Care Act does, Congressman, is the federal government picks up 100 percent of those additional enrollees for the first several years..."

Rep. Nunes (R-CA): "Several years, like in two years?"

Sec. Sebelius: "Three years, and then 95 percent of the costs going forward. And I can tell

you as a former Governor, the amount of uncompensated care we would carry as a state, versus a 95/5 split, federal government/state for those same uninsured people in my state, would have been a wonderful bargain."

MAKING MEDICARE ADVANTAGE SUSTAINABLE

Rep. Tiberi (R-OH): "If we actually cut Medicare Advantage, Medicare Advantage providers are telling me, that aren't insurance companies, that they will be forced to choose to not be in the program. If that happens, what happens to the beneficiary?"

Sec. Sebelius: "Well again Congressman, I think that there is not a lot of evidence that that will happen, and I share your concern that Medicare Advantage beneficiaries have a choice. But right now, we have about 75 percent of the beneficiaries who are subsidizing about \$1,000 a year for those who are choosing Medicare Advantage with no real health benefits to the Medicare Advantage customer.

"So we are trying to address, as has been raised here and I think is a concern that the Administration shares with all of Congress, that we address the rising health care costs, which are in excess of all inflationary costs. We spend two and a half times what any nation on earth spends, and we don't have good health results."

Rep. Tiberi (R-OH): "But during that debate on health care reform, we were told that we were going to have greater access, that patients would have greater access."

Sec. Sebelius: "And as the data this year shows, we do. Six percent more in Medicare Advantage."

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